

**CALIFORNIA STATE UNIVERSITY
SAN BERNARDINO**

FY 2025-26 Operating Budget May Revision

University Budget Advisory Committee (UBAC)

May 28, 2025



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FY 2025-26 GOVERNOR'S MAY REVISION

The May Revision to the 2025-26 California state budget, released on May 14, 2025, reflects a projected \$11.9 billion deficit driven by rising social service costs as the state's economy struggles under changes in federal trade regulations

Revenue Shortfall: The May Revision lowered revenue projection, reflecting diminished expectations for both the personal income tax and the corporation tax. General Fund revenues are downgraded by approximately \$5.2 billion through 2025-26.

Expenditures: The revised budget proposes higher baseline spending, most notably in Medi-Cal. Total state expenditure is \$321.9 billion, with \$226.4 billion from General Fund

For the CSU system, the January budget proposed a reduction of 7.95% or \$375M, with CSUSB's reduction share of \$14.5 million

- Governor May Revision proposes a base reduction of 3% or \$143.8 million General Fund for the CSU
- CSUSB's share of cut is estimated at \$5.6 million
- Compact Funding Deferral—The May Revision maintains the planned deferral of the 2025-26 Compact investment of \$252.3 million to 2027-28



FY 2025-26 GOVERNOR'S MAY REVISION

Budget will not be finalized until June enacted budget is released, and the CSU campuses receive the Final Allocation Memo from the Chancellor's Office

State Budget Outlook – Key Considerations

- The next few weeks are critical for budget negotiations and discussion among stakeholders
- The State Assembly, Senate, and Executive Branch must reach a consensus before the budget gets enacted
- Potential changes remain, which could impact the CSU system
- As we develop our budget, we should remain cautiously optimistic and stay alert to evolving developments



FY 2025-26 CSUSB BUDGET SUMMARY (DRAFT)

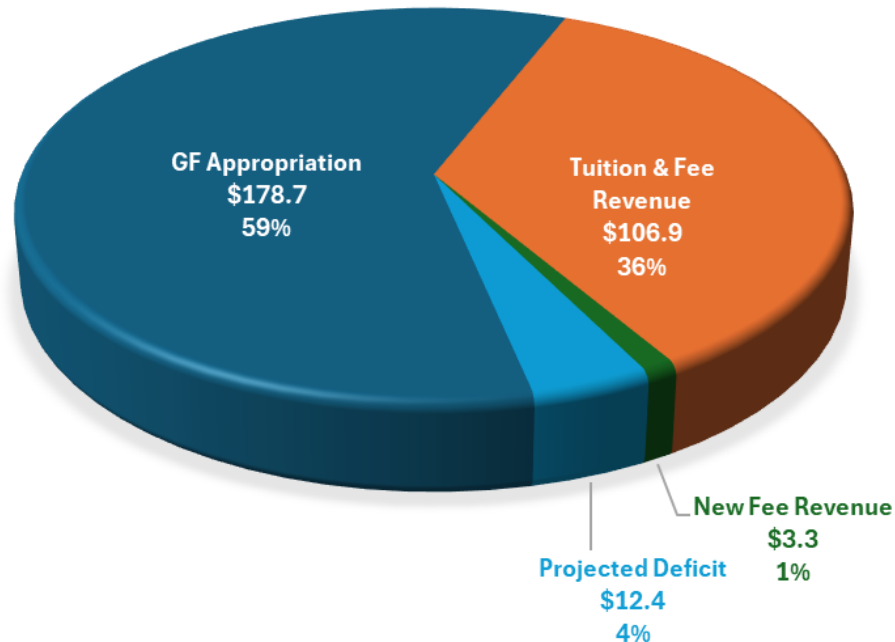
Sources/Uses	FY 2024-25	FY 25/26 New Revenue/Expense
FY 24/25 Base Budget	185,489,000	
FY 25/26 GF Increase (Decrease)		<u>(\$6,778,000)</u>
Total GF Appropriation	178,711,000	
FY 24/25 Tuition and Fees	106,936,942	
FY 25/26 New Revenue		<u>3,332,565</u>
Total Tuition & Fee Revenue	110,269,507	
Total Base Revenue	288,980,507	(\$3,445,435)
New Expenses		
FY 2023-24 Compensation Increase Remaining Base Allocation		\$768,717
FY 24/25 CFA PT SSI		990,074
CSUEU Step Increase		1,457,000
Student Assistant Rate Increase to \$16.50/hr		131,000
Campus Mandatory Costs (Health/Retirement/Insurance Costs)		1,670,100
FY 2025-26 SUG Adjustment		1,110,855
Strategic Planning		1,329,600
Base Commitments (Allocated 1x in FY 24-25)		<u>1,467,028</u>
	Total	\$8,924,374
Total Projected Deficit		(\$12,369,809)
FY 24/25 GSI Allocated 1x		(\$5,797,558)
Deficit Mitigation		<u>18,167,367</u>
Adjusted Deficit		-

FY 2025-26 CSUSB BUDGET OUTLOOK (DRAFT)

FY 2025-26 projected budget deficit represents about 4% of CSUSB's overall 2025-26 operating budget

FY 2025-26 Projected Operating Budget: \$301M

In Millions



FY 2025-26 BASE REDUCTION ADJUSTMENT

Division	Base Reduction	One-Time Reduction	Proposed Deficit Mitigation	Allocation for FY 24/25 1x GSI	Adjusted Reduction
President	45,448	58,513	103,961	(12,666)	91,294
Academic Affairs Division	3,723,131	4,793,444	8,516,574	(3,063,927)	5,452,648
Student Affairs Division	391,580	504,150	895,730	(151,811)	743,919
Finance, Tech, & Ops Division	1,341,580	1,727,253	3,068,833	(720,978)	2,347,855
University Advancement Div	195,786	252,070	447,856	(113,090)	334,766
Human Resources Division	-	-	-	(102,822)	(102,822)
Strategic Enrl Mgmt/Mktg Div	-	-	-	(162,533)	(162,533)
Central - Salary Related Benefit	2,244,575	2,889,837	5,134,412	(1,469,730)	3,664,682
Budget Reductions	7,942,100	10,225,267	18,167,367	(5,797,558)	12,369,809



FY 2025-26 ONE-TIME BUDGET

One-Time Revenue Adjustments		FY 25/26 Addition
Campus One-Time Source		
1	Central CF	633,528
2	2024 Summer CF	2,000,000
3	2025 Summer Revenue	3,000,000
4	Total 1x Campus Revenue	5,633,528
5	Total One-Time Revenue	5,633,528
<u>One-Time Commitments</u>		
6	iHUB 2023 Rent and Sublease Improvement (Thru 26/27)	136,370
7	CGI Agreement (FY 25/26 DS Payment)	932,374
8	CGI Agreement Down Payment (Installment #2) - #3 and Last Intlmnt FY 26/27	691,689
9	CGI Agreement FY 19/20 - 21/22 DS (Installment #2)- #3 and Last Intlmnt FY 26/27	424,042
10	Allocation Against Cell Tower Lease Revenue (Estimated)	391,746
11	Title IX Reserve	200,000
12	SSD Reserve	400,000
13	Various Deficit Mitigation	215,000
14	Central Various Fiscal Year Obligations	492,308
15	Summer GIG Funding (\$500k for Summer 2026)	500,000
16	Funding Match for SW Flood Mitigation Funds	1,250,000
17	One-Time Commitments	5,633,528
18	Net One-Time Balance (Deficit)	-



FY 2025-26 CSUSB BUDGET SUMMARY (DRAFT)

Assumptions:

1. \$143.8M State Base Budget Reduction (CSUSB's share: \$5.6M)
2. Deferral of the \$252.3M FY 2025-26 Compact to FY 2027-28

Row #		Budget Year FY 2024-25 (a)	Planning Year FY 2025-26 (b)	Future Year FY 2026-27 (c)	Future Year FY 2027-28 (d)
1	Prior Fiscal Year Appropriation	\$168,188,000	\$185,489,000	\$178,711,000	\$178,711,000
2	Planning Year Base Funding (Reduction)	11,173,000	(5,554,000) ¹	-	-
3	Reinstate \$75 M Cut	-	4,048,000 ²	-	-
4	Retirement Adjustment	-	(5,272,000) ³	-	-
5	FY 23/24 Compensation Funding	4,603,000	-	-	-
6	FY 24/25 Compensation Funding	1,525,000	-	-	-
7	Total GF Appropriation	185,489,000	178,711,000	178,711,000	178,711,000
8	Total Tuition & Fee Revenue	107,514,297	110,269,507	117,107,397	123,945,287
9	Total Resources	293,003,297	288,980,507	295,818,397	302,656,287
10	Planning Year's Increase (Decrease) From Prior Year	20,362,429	(3,445,435)	6,837,890	6,837,890
11	Planning Year Campus Commitments	40,779,662	8,924,374	11,499,081	11,787,872
12	Planning Year's Budget Surplus (Deficit)	(20,417,233)	(12,369,809)	(4,661,191)	(4,949,982)
13	FY 24/25 Comp Increase 1x	-	(5,797,558)	-	-
14	Deficit Mitigation	20,417,233	18,167,367	-	-
15	Adjusted Base Budget Surplus/(Deficit)	-	-	(4,661,191)	(4,949,982)

Footnote:

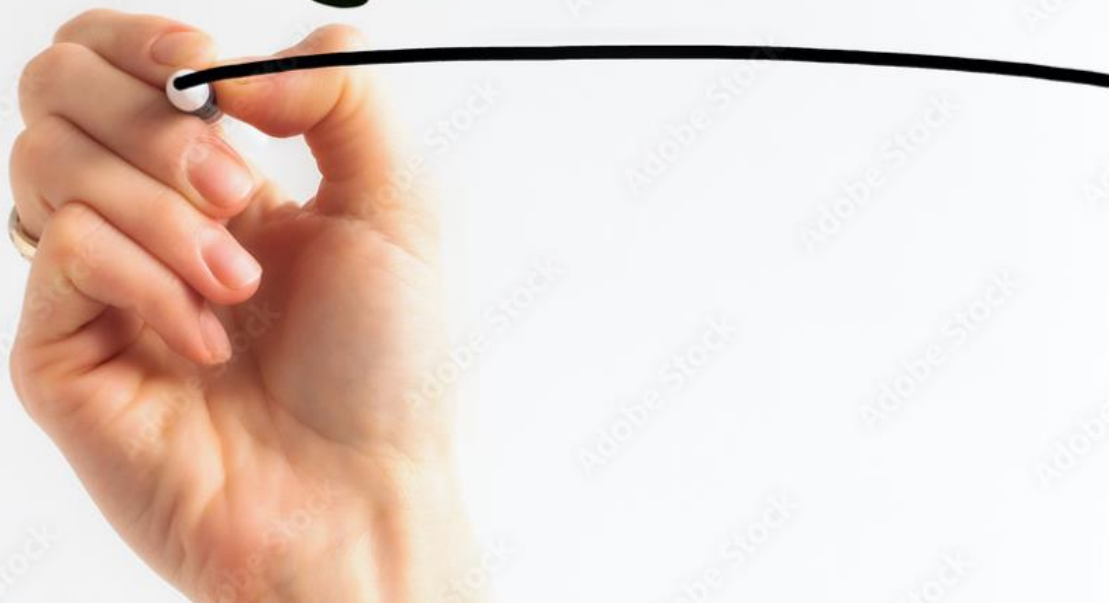
¹ FY 25/26 CSUSB's share of 3% base budget reduction

² FY 24/25 \$75M one-time budget reduction reinstatement

³ FY 24/25 de-allocation for retirement, will be adjusted as base in FY 25/26



Any Questions?



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